

DIVISION OF TAXATION

Sales and Use Tax

Sales of Tangible Personal Property and Services Used on Farms

Adopted New Rules: N.J.A.C. 18:24-19.7 and 19.8

Adopted Repeals and New Rules: N.J.A.C.

18:24-19.4, 19.5 and 19.6

Adopted Amendments: N.J.A.C. 18:24-19.1, 19.2 and 19.3

Proposed: August 7, 2000 at 32 N.J.R. 2663(a).

Adopted: September 29, 2000 by Robert K. Thompson, Director,
Division of Taxation.

Filed: October 4, 2000 as R.2000 d.439, without change.

Authority: N.J.S.A. 54:32B-24.

Effective Date: November 6, 2000.

Expiration Date: May 8, 2003.

Summary of Public Comment and Agency Response:

Written comment was received as follows:

COMMENT: Scott J. Cameron, Director of Governmental Affairs of CHEP Equipment Pooling Systems, which rents reusable shipping pallets and plastic containers to New Jersey farmers, wrote in support of the proposed new N.J.A.C. 18:24-19.8. He commented that allowing exemption for farmers' purchases or rentals of reusable pallets and containers will benefit farmers, the environment, and the emerging reusable pallet rental industry.

RESPONSE: The Division thanks Mr. Cameron for his support of the new policy and notes that this policy implements the recently enacted statutory amendment to the "wrapping supplies" exemption provision, N.J.S.A. 54:32B-8.15.

Federal Standards Statement

A Federal standards analysis is not required because the scope of the farming use exemption from New Jersey sales and use tax is governed entirely by State law and is not subject to Federal regulatory standards.

Full text of the adoption follows:

SUBCHAPTER 19. SALES OF TANGIBLE PERSONAL PROPERTY AND SERVICES USED ON FARMS

18:24-19.1 Scope of rules

N.J.A.C. 18:24-19.1 through 19.7 are intended to clarify the application of the Sales and Use Tax Act (N.J.S.A. 54:32B-1 et seq.) to the sale, rental or leasing of tangible personal property and the sale of production and conservation services used directly and primarily in the production, handling and preservation for sale of agricultural or horticultural commodities at a farming enterprise. N.J.A.C. 18:24-19.8 is intended to clarify the application of the Act to sales of containers used in a farming enterprise and sales of commercial motor vehicles registered as farm vehicles.

18:24-19.2 Definitions

For purposes of this subchapter:

"Agricultural or horticultural commodities" means tangible personal property produced through the raising of plants or animals useful to people, with certain categories of exceptions noted below:

1. The following are examples of "agricultural and horticultural commodities":

- i. Vegetables;
- ii. Fruits, nuts and berries;
- iii. Poultry and poultry products (for example, chickens, ducks, eggs);
- iv. Game animals (for example, rabbits, quail);
- v. Dairy animals and milk (for example, cows, goats);

- vi. Grain (for example, corn, oats, wheat);
- vii. Trees (for example, shade trees, Christmas trees) and forest products (for example, timber);
- viii. Honey and other apiary products;
- ix. Fur-bearing animals and their skins and fur (for example, sheep, minks);

x. Livestock and their meat (for example, cattle, pigs, sheep);

xi. Horses;

xii. Products of aquaculture (for example, tuna, oysters, waterlilies);

xiii. Sod;

xiv. Forage and feed crops (for example, soybeans, feed corn); and

xv. Ornamental plants (for example, flowers, yews).

2. The following are not deemed to be "agricultural and horticultural commodities":

i. Dogs and cats;

ii. Microscopic organisms raised in a laboratory (for example, penicillin); and

iii. Secondary commodities produced from agricultural or horticultural commodities (for example, jellies, ice cream, pies, wreaths, woolen fabrics, finished lumber).

"Aquaculture" means the propagation, raising and harvesting for sale of aquatic organisms, in controlled or selected environments in which the farmer must actively intervene in the rearing process in order to effect, improve or increase production for the purpose of sale.

"Automobiles" means motor vehicles designed to be used on public roadways and required to be registered as motor vehicles, other than vehicles that qualify for exemption pursuant to N.J.S.A. 54:32B-8.43(a)(1), (2) or (3). (See N.J.A.C. 18:24-7.18.)

"Conservation services" means services performed in order to conserve soil, water, soil nutrients or other natural resources useful in the production of agricultural or horticultural commodities.

1. "Conservation services" are exempt under this section only when used directly and primarily in the production, handling or preservation of agricultural or horticultural commodities for sale.

2. Following are examples of conservation services:

i. Aerial sowing of fall cover crop in a field of growing summer crops for purposes of soil nutrient management; and

ii. Applying mulch to growing crops during a drought to prevent moisture loss.

"Dairy farming" means the business of breeding, feeding and raising of cattle and other milk-producing animals, and the production of feed for them by the owner of such animals, but does not include operations such as the making of butter, cheese or ice cream.

"Energy" means natural gas or electricity as defined in N.J.S.A. 54:32B-2(gg).

"Farm animals" means animals that fall within the definition of "agricultural commodities" and animals that perform work used directly and primarily in production, handling and preservation for sale of agricultural and horticultural commodities.

1. The following are examples of "farm animals" as used in this subchapter:

i. Cows raised for their milk for sale;

ii. Pigs raised for their meat for sale;

iii. Horses bred and raised for sale;

iv. Draught animals used for productive farm work; and

v. Herding dogs used by a sheep farmer.

2. The following are not examples of "farm animals" as used in this subchapter:

i. Farmer's pet dogs, hunting dogs, watch dogs;

ii. Horses being boarded and trained for customers; and

iii. Animals not raised for sale, which are used on the premises where they are maintained for purposes other than farm work, for example, trout in a stream stocked for fishermen, animals in a petting zoo, horses in a riding academy.

"Farmer" means a person who owns, operates or manages a farming enterprise for gain or profit.

"Farming enterprise" means a business or part of a business which, using land and improvements to the land, is engaged primarily in producing agricultural or horticultural commodities for sale.

1. The following are examples of "farming enterprises":

- i. A fruit orchard that raises apples, pears and cherries for sale to the public;
- ii. A tree nursery that grows trees for sale to contractors and property owners;
- iii. A game farm that raises pheasants and other game animals for sale to butchers, supermarkets and sporting clubs;
- iv. A fish hatchery that raises fish for sale to restaurants, food stores and fish processors;
- v. A cranberry facility that grows cranberries for sale to distributors and food processors;
- vi. A greenhouse that grows flowering plants for sale to retail stores;
- vii. A sod farm that grows sod for sale to landscapers;
- viii. A poultry farm that raises chickens for their meat and eggs for sale;
- ix. A horse farm that breeds horses for sale to horse dealers and to the public;

- x. A dairy farm that raises cows in order to sell their milk;
- xi. A grain farm that produces crops for either human consumption or livestock forage; and
- xii. A vegetable farm.

2. The following are not "farming enterprises":

- i. A horse boarding enterprise;
- ii. A horse training enterprise;
- iii. A botanical garden primarily engaged in displaying plants;
- iv. A hunting game preserve;
- v. A lake that is stocked with trout, for sporting and recreational use;
- vi. Farmers' markets, produce stores, dairy product stores, florist shops;
- vii. A kennel that raises dogs for sale; and
- viii. Rural property on which the owner may grow or raise horses, barnyard animals, flowers, vegetables and fruits primarily for his own use rather than for sale.

"Handling and preservation" means the care and maintenance of farm animals and of agricultural and horticultural commodities during production for sale and up to the point when the commodity reaches a marketable state, and the prevention of spoilage or deterioration of agricultural and horticultural commodities during and after production until they reach a marketable state.

"Production services" means services purchased by a farmer that are part of the process of planting, breeding, propagating, feeding, fertilizing, raising, or harvesting agricultural or horticultural commodities on that farmer's farming enterprise for the purpose of selling those commodities.

1. The following are examples of "production services":

- i. Plowing a field in preparation for planting;
- ii. Spraying pesticide on a sod field;
- iii. Shoeing horses used for breeding purposes;
- iv. Shearing sheep raised for their wool; and
- v. Picking and packing berries grown for sale.

2. The following are not examples of "production services":

- i. Cleaning a retail store facility operated by the farmer;
- ii. Services of repairing farm production equipment;
- iii. Grooming pet horses; and
- iv. Making repairs on farm workers' housing.

18:24-19.3 Scope of exemption

(a) The exemption provided by N.J.S.A. 54:32B-8.16 applies to the purchases of:

1. Tangible personal property;
2. Production services; and
3. Conservation services.

(b) The exemption applies only when the property or service is purchased for use or consumption directly and primarily in the production for sale, handling for sale or preservation for sale of agricultural or horticultural commodities.

(c) The exemption provided by N.J.S.A. 54:32B-8.16 applies only to purchases by the farmer of property or services to be used in that farmer's own farming enterprise.

1. The exemption does not apply to purchases by a contractor of tangible personal property to be installed on a customer's farm premises

or consumed during the work performed by the contractor on that property.

2. The exemption does not apply to purchases of items used by a service provider in rendering services to a farmer, regardless of whether the services rendered will be exempt.

(d) The exemption does not apply to purchases of the following categories of tangible personal property:

1. Automobiles;
2. Energy; and
3. Materials used to construct a building or structure, with the following exceptions:
 - i. Silos;
 - ii. Greenhouses;
 - iii. Grain bins; and
 - iv. Manure handling facilities.

18:24-19.4 Direct use

(a) In order to be exempt under N.J.S.A. 54:32B-8.16, a farmer's purchase of qualified tangible personal property or services must be used directly in the production, handling or preservation for sale of agricultural or horticultural commodities on the purchaser's farming enterprise.

(b) In determining whether a service or an item of tangible personal property is used directly for an exempt purpose, the following factors are to be considered:

1. The physical proximity of the item in question to the production, handling or preservation for sale process in which it is used;
2. The proximity of the time of use of the property or service to the time of use of other property or services employed before or after it in the production, handling or preservation of agricultural or horticultural commodities; and
3. The active causal relationship between the use of the property or service in question and the production, handling or preservation of an agricultural or horticultural commodity.

(c) Tangible personal property and services qualify for the farm use exemption when used primarily in growing agricultural or horticultural commodities, or in preserving agricultural commodities from the time of harvest until they are in a marketable state, or in maintaining farm animals or handling agricultural and horticultural commodities until they reach a marketable state.

1. Tangible personal property used in planting, propagating, growing, feeding, stimulating growth, or raising plant and animal agricultural or horticultural commodities is used directly in production for sale, for example, tilling equipment used in a vegetable farm, seeds used in a forage crop farm, fertilizer used in a sod farm, feed scoops used in a poultry farm, bull semen used in a cattle ranch, incubator used by a poultry farm. Repair and replacement parts for exempt farm equipment are also exempt from tax, but repair services are taxable.

2. Services of an outside service contractor of tilling, planting, or harvesting are used directly in production.

3. Property used to extract or separate an agricultural or horticultural commodity from farm animals, the soil, water, or plants is used directly in production, for example, milking equipment, egg collecting equipment, cherry picking devices, combines, sheep shearing tools, and ropes used by a tuna aquaculture enterprise.

4. Services of an outside service contractor of extracting agricultural or horticultural commodities from farm animals, soil, water or plants for the farmer are used directly in production, for example, picking fruit for an orchard, shearing sheep for a sheep farm, aerial spraying of pesticide on an orchard.

5. Tangible personal property or services are used directly in "handling and preservation" of agricultural or horticultural commodities for sale when used for the following purposes:

- i. Maintaining the health of farm animals, handling and maintaining agricultural or horticultural commodities during production, and preparing them until they reach a marketable state, for example, equipment used to wash and pack fruit at a fruit orchard, ropes and harnesses used in moving livestock on a ranch, medicines for a sheep farmer's herding dog, debeakers used on a poultry farm, service of washing eggs on poultry farm, grooming and shoeing service provided for horse breeding farm; or

ii. Preventing the spoilage or deterioration of agricultural or horticultural commodities until they reach a marketable state, for example, refrigerators to cool and preserve raw milk on a dairy farm, disinfectants to sterilize milking equipment and cans on a dairy farm, cooling equipment to preserve harvested perishable fruits on an orchard, watering equipment to maintain the freshness of balled and burlapped trees on a tree farm until shipment to market, pesticide application service to preserve horticultural products being prepared for sale by a farm.

(d) A farmer's purchase of building materials used to construct a silo, greenhouse, grain bin or manure handling facility is exempt from sales tax if the silo, greenhouse, grain bin or manure handling facility will be used directly and primarily in producing, handling or maintaining the specific varieties of agricultural or horticultural commodities raised in that farmer's farming enterprise:

1. Repair or replacement parts purchased by the farmer for such structures are also exempt.

2. Tools and equipment used to construct such structures are not exempt.

(e) Property or services used in producing secondary products, made from agricultural or horticultural commodities, are not deemed to be used "directly" in the production of an agricultural or horticultural commodity and therefore are not eligible for the farm use exemption. (However, the manufacturing equipment exemption may apply in some circumstances. See N.J.S.A. 54:32B-8.13a and N.J.A.C. 18:24-4.)

1. For example, property or services used in making butter, sausage, jellies, flour, cider, cheese, ice cream, woolen fabric, floral wreaths, herbal sachets, bees wax candles, finished lumber, furniture and other items which are made from farm products, but which are not in themselves agricultural or horticultural commodities, are not eligible for exemption under the farm use exemption provision, N.J.S.A. 54:32B-8.16.

2. Property and services used directly and primarily in producing an agricultural or horticultural commodity are exempt from tax, even though the farmer may also operate another enterprise, which is not a farming enterprise, in which he produces and sells secondary products made from his farm products:

i. For example, a corporation which raises sheep for their wool, which it then uses to make sweaters and blankets for sale, is eligible for the farm use exemption on purchases of tangible personal property used in raising the sheep and shearing the wool;

ii. A business that raises flowers and herbs in order to produce wreaths, sachets, teas and jellies for sale is eligible for the farm use exemption on seeds, fertilizers and farming equipment used in planting, raising and harvesting the herbs and flowers.

(f) The fact that a particular item of tangible personal property or service may be essential to the conduct of a farmer's business because its use is required by law or practical necessity does not, by itself, mean that the property or service is used "directly" in production, handling or preservation for sale of agricultural or horticultural commodities.

1. Example: A vegetable farmer's purchase of a smoke alarm to install in farm workers' housing is not exempt under N.J.S.A. 54:32B-8.16 because the item is not used "directly" in production, handling or preservation of agricultural or horticultural commodities.

2. Example: A sod farmer's purchase of books, CD-Roms and other employee training materials regarding the safe use of pesticides, although necessary, is not exempt because it is not used "directly" in production.

(g) Property and services used in personal, administrative, clerical, financial, personnel management, promotional, repair, sales and other nonfarming activities are not used directly in the production, handling and preservation of agricultural and horticultural commodities and, therefore, are not eligible for the farm use exemption.

1. Following are examples of taxable tangible personal property not used "directly" in production, handling or preservation of agricultural or horticultural commodities:

i. Office furniture, equipment and supplies; books and educational materials; recordkeeping materials;

ii. Advertising and promotional materials;

iii. Equipment and supplies used in transporting products to market or to customers, or in displaying products for sale or in operating a store;

iv. Computers and software;

v. Items used to prevent or fight fires, first aid supplies, safety and accident prevention equipment; and

vi. Property used for the personal comfort or convenience of the farmer, his employees, service personnel, suppliers or customers, for example, planking for crosswalks, beds and fans for migrant labor camp; telephones.

2. Following are examples of taxable services not used "directly" in the production, handling and preservation for sale of agricultural and horticultural commodities:

i. Repairing farming equipment;

ii. Janitorial services;

iii. Landscaping, snow removal, and grounds cleanup and maintenance services;

iv. Grooming dogs, horses and other animals kept for the farmer's personal use or enjoyment;

v. Repairing a greenhouse;

vi. Imprinting the farmer's stationery with his business logo;

vii. Direct mail processing services of promotional literature sent to potential New Jersey customers;

viii. Painting and maintaining a silo;

ix. Cleaning and repairing a grain bin; and

x. Repairing a farm truck.

18:24-19.5 Primary use

(a) In order to be exempt under N.J.S.A. 54:32B-8.16, a farmer's purchase of qualified tangible personal property or services must be used primarily in the production, handling and preservation for sale of agricultural or horticultural commodities on the purchaser's farming enterprise.

(b) When a service or piece of tangible personal property is put to use in more than one way, the item of service or property is not exempt under this section unless it is used more than 50 percent of the time directly in the production, handling and preservation for sale of agricultural or horticultural commodities.

(c) Examples:

1. A farmer is in the business of raising vegetable plants for sale to garden centers and other retail sellers of plants. He buys tilling equipment which he uses to prepare the soil for planting. The equipment is used directly in the production of the horticultural commodities he raises for sale. The farmer also occasionally uses the tiller to prepare a small decorative flower border at the entrance of his farm, adjacent to the road. The tiller is used approximately 90 percent of the time in preparing the growing areas for plants raised for sale, and 10 percent in preparing the decorative border.

The tiller qualifies for exemption because it is used directly in production for sale more than 50 percent of the time.

2. A partnership breeds and raises horses for sale. It also uses a portion of its property as a boarding and training facility for customers' horses. It makes the following purchases: food additives, horse shoeing tools, grooming equipment. The food additives are used approximately 60 percent of the time in feeding the horses used for breeding for sale and 40 percent in feeding the horses being boarded; the horse shoeing tools are used approximately 75 percent of the time on the horses being bred for sale and 25 percent on the horses boarded for customers; the grooming equipment is used approximately 20 percent on the horses bred for sale, 80 percent on the horses boarded or trained for customers.

The food additives and horse shoeing tools qualify for exemption because they are used more than 50 percent of the time directly in the production, handling and preservation of an agricultural product, that is, horses, for sale. The grooming equipment does not qualify because it is used directly for exempt purposes only 20 percent of the time; its use in the boarding and training of customers' horses is not a use in the production, handling and preservation of horses for sale.

3. A corporation is in the business of operating a botanical garden. It charges the public a fee for admission to its greenhouses to view the plant collections and displays. Part of each greenhouse is used for propagating and growing plants. Most of the plants are grown for display in the portions of the greenhouses open to the public. Approximately 15 percent of the plants are grown for sale in the botanical garden's gift shop or for sale to plant stores. The corporation is purchasing materials to construct

an additional greenhouse in the complex, which will be used in the same way as the existing greenhouses.

The materials purchased to construct a greenhouse will not qualify for exemption because they will not be used more than 50 percent of the time in the production, preservation or handling of horticultural products for sale.

4. A corporation operates a tree nursery, which raises trees for sale. It uses the land adjacent to the tree nursery to operate an arboretum, which grows and maintains trees that are not for sale and provides free tours to the public. The corporation contracts with an aero-spray service to spray pesticide on the nursery and the arboretum as needed. The service is used 70 percent of the time on the tree nursery and 30 percent of the time on the arboretum.

The lump sum fee for the service is exempt, since the aero-spraying of pesticides is a production service used directly in the production and preservation of horticultural products for sale 70 percent of the time.

5. A tree nursery and landscaping business grows shade trees which it installs for its customers as part of its landscaping operation. It purchases tree seedlings, watering equipment, and digging equipment. The watering equipment is used during the growing process, and the digging equipment is used approximately 70 percent in the growing operations and 30 percent in the landscaping operations.

The purchase of the watering equipment is eligible for the farming use exemption because it is used directly in production in the nursery's farming operations. The digging equipment also qualifies for exemption because, although it is used part of the time in the landscaping operations, it is used more than 50 percent of the time, that is, primarily, in production of an agricultural commodity (trees). The seedlings are not eligible for exemption because they become the property which the business installs in its landscaping operation. When this business installs trees or performs other landscaping jobs on its customers' real property, it is acting as a contractor, rather than as a farmer. Contractors are liable for sales or use tax on the materials they install on their customers' real property.

(d) The eligibility of a particular purchase for exemption under the farm use exemption provision (N.J.S.A. 54:32B-8.16) depends upon the nature and extent of its use in the farming enterprise.

1. The fact that an item of service or tangible personal property is purchased by a farmer does not in itself make the purchase eligible for exemption.

2. Examples:

i. A vegetable farmer raises vegetables for sale. He also raises a goat, a sheep, and several ducks for the enjoyment of his family and guests, but does not sell the animals or their products. His purchases of feed for the animals are not exempt.

ii. A neighboring farmer raises goats, sheep and ducks for their meat, milk, wool and eggs for sale. He also grows vegetables solely for his family's consumption. His purchases of fertilizer and a hoe for his vegetable garden are not eligible for exemption.

iii. Three farms maintain horses on their premises. Farm No. 1 breeds and raises horses for sale. Farm No. 2 raises corn and beans for sale, and also boards a few horses for customers. Farm No. 3 raises horticultural products for sale in a greenhouse and also has a few horses which it raised for the use and enjoyment of the farmer's family. The purchases of feed, equine medicine, and horse grooming supplies by Farm No. 1 qualify for the farm use exemption. Purchases of the same items by Farm No. 2 and Farm No. 3 are taxable, because the items are not used directly and primarily in the production, handling and preservation of horses ("agricultural product") for sale by that farm.

iv. A sod farmer grows most of his sod for sale to landscaping contractors. However, he sometimes acts as a "contractor" by supplying fully installed sod to his customers. The farmer purchased two pieces of equipment: a cutting implement used to cut and harvest mature sod for sale, and a roller used in planting and installing sod on customers' property. The cutter is eligible for the farm use exemption. The roller is not, because it is used in contracting work, not in the farming operation.

18:24-19.6 Exclusions; exceptions to exclusions

(a) The exemption provided by N.J.S.A. 54:32B-8.16 does not apply to purchases of the following categories of tangible personal property,

even if they are used directly and primarily in the production of agricultural and horticultural commodities:

1. Automobiles;

2. Energy; and

3. Materials used to construct a building or structure, with the exception of the following single-use agricultural facilities: silos, greenhouses, grain bins, manure handling facilities.

(b) The exclusion from exemption for materials used to construct a building or structure does not apply to farming equipment used directly and primarily in the production, handling and preservation of agricultural or horticultural commodities, even if the equipment must be permanently affixed to an existing building or structure. Purchases of such equipment are deemed to be exempt purchases of farming equipment; they are not deemed to be purchases of materials used to construct a building or structure.

(c) Examples:

1. A vegetable farmer makes the following three purchases: a farm tractor used in preparing fields for planting, a commercial truck with manufacturer's gross vehicle weight rating over 18,000 pounds which he registers with Motor Vehicle Services as a farm vehicle, and an all-terrain vehicle which he used to transport workers and farming implements to the work site.

The all-terrain vehicle does not qualify for exemption; as an "automobile" it is excluded from the scope of the exemption. The commercial farm truck is not an "automobile." The commercial truck qualifies for exemption under the commercial truck exemption provision, N.J.S.A. 54:32B-8.43, regardless of whether it is used "directly and primarily" in production. The farm tractor, which is not required to be registered as a motor vehicle, is not an "automobile." It is farm equipment, which is exempt when used directly and primarily in production.

2. A poultry farmer purchases animal feeders which must be permanently installed onto an existing farm building.

The purchase qualifies for exemption as tangible personal property used directly and primarily in production of agricultural products.

3. A farmer who grows horticultural products in greenhouses purchases building materials which he intends to use to construct a permanent addition to his greenhouse.

The farmer's purchase qualifies for exemption as tangible personal property used directly and primarily in production. Because the materials will be used to construct a greenhouse, they are not the kind of building materials that are excluded from the scope of the exemption.

4. The same farmer hires a contractor to build a new greenhouse for him. The contractor purchases materials to construct the greenhouse for the farmer.

The contractor must pay tax on his purchase of materials. The farm use exemption is available only to the farmer and does not pass through to the contractor.

5. A farmer purchases lumber and other materials to build a barn.

The farmer must pay tax on his purchase of materials. The exemption does not apply to materials used to construct a building, with certain exceptions; barns are not among the four exceptions enumerated in the statute.

6. A farmer uses electric and gas utility services directly and primarily in some of his production activities.

The electric and gas utility services are subject to sales tax. The exemption does not apply to purchases of energy even when used directly and primarily in production.

7. A farmer purchases fuel oil and water utility services for use in his business and his home.

Oil, water, and other fuels and utilities, except natural gas and electricity, are exempt from sales tax under N.J.S.A. 54:32B-8.7. They need not be used in farming in order to qualify for exemption, and they do not fall within the definition of "energy" in N.J.S.A. 54:32B-8.16.

18:24-19.7 Farmer's Exemption Certificate: ST-7

(a) A farmer claiming exemption from sales tax pursuant to N.J.S.A. 54:32B-8.16 on a purchase of qualified tangible personal property or services must present the vendor with a signed, properly completed Farmer's Exemption Certificate (ST-7) disclosing a proper basis for exemption.

(b) Purchases which are not supported by a properly executed exemption certificate shall be treated as taxable retail sales by the vendor.

(c) A signed, completed blanket Farmer's Exemption Certificate may be furnished to the vendor by the farmer to cover additional purchases of the same type of goods or services.

1. The blanket certificate may be used only as long as all of the information furnished on the certificate remains unchanged.

2. Each sales slip or invoice based on such blanket certificate must show the farmer's name, address and New Jersey tax registration number.

(d) The Farmer's Exemption Certificate may not be used to support claims for exemption based on provisions other than N.J.S.A. 54:32B-8.16.

18:24-19.8 Other exemptions specifically for farmers

(a) Containers, wrapping supplies and packing supplies are exempt from sales and use tax when purchased by a farmer for any use in that farmer's farming enterprise. N.J.S.A. 54:32B-8.15.

1. The use of the containers in the farming enterprise need not be "direct" or "primary" in order for the purchase to qualify for exemption.

2. Examples:

i. Crates used to store farming implements on the farm qualify for the container exemption;

ii. Returnable and nonreturnable pallets used by a sod farmer to ship sod to market qualify for the container exemption; and

iii. Burlap used to wrap the root balls of trees dug for sale on a tree farm qualify for the container exemption.

(b) The sale, rental or lease of a commercial truck, having a manufacturer's gross vehicle weight rating in excess of 18,000 pounds, and registered as a farm vehicle pursuant to N.J.S.A. 39:3-24 or N.J.S.A. 39:3-25 is exempt from sales or use tax pursuant to N.J.S.A. 54:32B-8.43(a)(3). See N.J.A.C. 18:24-7.18.

(c) A properly executed Exempt Use Certificate (ST-4) shall be used to support a claim for exemption based on (a) or (b) of this subsection.